CONFIDENCIAL

the Iranian military were misbehaving in a provocative manner on the Shatt. A copy of this note was given to him by the Embassy here. We instructed their Embassy in Baghdad to get the details on what this is all about; he is waiting for a reply and is ready to answer the Iraqis in sern language.

Sanandaji reiterated that they realize that these developments are serious; and they do not want to precipitate action which would be regrettable. He added, however, that in principle the Iranians are determined to stick to their guns and not back down in face of Iraqi intransigency.

In reply to what I thought about it, I said that I believed his assessment about the overly eager Port Director probably being responsible and possibly even acting with the knowledge of Baghdad, was, in my opinion, correct.

WAILES

RRSchott/hfo October 18, 1959

COMPHDENTIAL